

[HELP ?](#)

Alternatives to neoliberalism in Latin America

Latin American Perspectives; Riverside; Jan 1997; Petras, James;

Volume: 24
Issue: 1
Start Page: 80-91
ISSN: 0094582X
Subject Terms: Liberalism
Elections
Politics

Geographic Names: Latin America

Abstract:

The left is confronting two main issues in Latin America--neoliberals winning relatively free elections and large-scale mobilization against the newly elected regime involving significant sectors of the population, probably including many non-leftist voters.

Full Text:

Copyright Sage Publications, Inc. Jan 1997

Two important issues confront the left in Latin America. First, neoliberal politicians have won relatively free elections, defeating prominent leftist and center-left political coalitions. Second, since these elections there has been large-scale social mobilization against the newly elected regime involving significant sectors of the population, probably including many nonleftist voters.

For many years most leftists associated neoliberalism with the military regimes and the use of state terror. Historically, this made sense. Neoliberal policies and structural adjustments were first introduced in the 1970s by military dictators, in the first instance the Pinochet regime. A second line of reasoning reinforcing the notion of neoliberalism with military repressive regimes was the adverse effect of neoliberal policies on the majority of the population, the point being that only military dictatorships could impose such draconian measures and contain popular discontent.

Recent history belies this contention. In Argentina, Brazil, Peru, Bolivia, and elsewhere, overtly neoliberal presidential candidates have been elected or reelected. This has led conservative commentators to argue that neoliberalism has become the hegemonic ideology-the accepted political discourse of the masses. To a considerable extent, center-left politicians and intellectuals have been influenced by this line of reasoning and have adapted to the so-called new realities and moved toward accepting the main outlines of neoliberal political economy. Some center-left coalitions accept the neoliberal stabilization plan (Argentina) and others at least part of the privatization agenda (Uruguay, Argentina, Brazil, Mexico). With this shift in the political spectrum, neoliberalism would seem to have consolidated its position in Latin America.

However, both conservative celebrants and center-left pragmatists overlook the second basic fact of the contemporary period: the mass popular revolts, social mobilizations, general strikes, land occupations, and provincial revolts that have almost immediately followed the neoliberal electoral victories. These mass social movements reject some or all of the neoliberal political agenda (privatizations, structural adjustments, wage constraints, increases in transport, etc.). In some cases-for example, the general strike in Bolivia in May 1995 and that in Paraguay in 1994-they have included the vast majority of the labor force. These large-scale social mobilizations explicitly rejecting part or all of the neoliberal agenda call into question the assumption of "consolidation." They open up the perspective of the decay of

neoliberalism and the construction of a political alternative based on a different socioeconomic model.

What sense can we make of these apparently contradictory events? Which is more representative of the popular will, the elections or the mass movements and popular uprisings?

In the first place, it is important to recognize that the so-called transitions to democracy have been deeply marked by the authoritarian legacy of the previous military dictatorships. The military rulers and their civilian business and political collaborators have played an essential role in defining and negotiating the conditions of the transition. As a result, most of the state institutions (military, police, judiciary, etc.) of the authoritarian past remain intact. Secondly, the authoritarian socioeconomic system based on elite control of the mass media and the financial and productive system remain intact. The culture of fear and insecurity generated by the military authoritarian period continue and in many cases have been cultivated by the neoliberal electoral politicians, who have discouraged protests as a potential "provocation" that could cause the military to intervene. Finally, and most important, the civilian neoliberal politicians tend to rule by decree and use the military to enforce their policies of privatization and adjustment.

This continuity of authoritarianism limits citizen activity, undermines political debate, and forces politicians into the neoliberal framework. The continuities provide an institutional bias toward the neoliberal political candidates in the electoral process. These neoliberal candidates exploit the historical legacy, the repressive political culture, the concentration of the mass media, and the major state institutions to keep the focus of the political debate on the neoliberal agenda. Thus the electoral politicians of the centerleft are at a distinct disadvantage. They attempt to compete by demonstrating their personal virtues (they are not corrupt), their managerial abilities (they can manage the system more efficiently), and their greater social concern for the "costs" of neoliberalism (they favor increased social expenditures). This only reinforces the neoliberals' argument that there are no alternatives to their model. The blurring of sociopolitical identities between right and left has had a negative impact on the electoral fortunes of the center-left. Since most voters do not have strong ties to any political organization, they become the objects of short-term electoral campaign propaganda in which the neoliberals' vast campaign funds and quasi-monopoly of the mass media play a decisive role. Thus elections are shaped by the legacy of the authoritarian past and the capacity of neoliberal politicians to concentrate organizational and financial resources in a limited time period to secure favorable electoral outcomes.

In the postelection period, electoral propaganda is replaced by the concrete socioeconomic policies of the neoliberal regimes. These policies overwhelmingly reflect the interests of the economic elites. Privatization and deregulation provide for a massive transfer of lucrative public resources (e.g., the sale of state enterprises to big business), price increases, and wage reductions that favor employers. The social polarization absent during the electoral campaign comes sharply into focus when the newly elected president takes office. Using the so-called electoral mandate as a legitimating cover, the neoliberal president relies on the elitist authoritarian state institutions (military, courts, police) to impose regressive socioeconomic policies on the protesting majority. In contrast to the situation under the military regime, where force was applied both before and during the implementation of neoliberal policies, under the neoauthoritarian electoral regimes force follows elections.

Clearly, there is a profound gap between the electoral processes and popular socioeconomic interests. This gap is the product of an electoral process embedded in an authoritarian elitist institutional matrix that is incapable of representing popular interests. The postelection period, however, clearly focuses attention on the socioeconomic issues of most interest to the popular majority: how to earn a

livelihood, health, education, etc. Much more than their campaign rhetoric, it is the actions of the neoliberal regimes that determine the social nature of their policies. The popular reaction takes the form of direct action against these policies. Thus it makes sense for people who voted for the right to act with the left. The electoral process involves the legitimation of the neoliberal elite and its restricted political agenda, divorced from the interests and needs of the popular majority. Mass direct action provides an open, grassroots (base-oriented) structure in which essential day-to-day issues are linked to political expression.

The electoral processes capitalize on the weaknesses of the labor force created by past repressive regimes and economic shock treatment: the dismemberment of popular organizations, the elimination of militant unionists, and the domestication of politicians and intellectuals. Economic shock treatment, the rollback of social legislation, and the weakening of the labor unions have created a vast pool of unemployed and temporary workers. These structural conditions of atomization and fragmentation of the working class have lessened class solidarity and made the individualistic appeals of the neoliberal politicians more palatable.

At the same time, the extreme socioeconomic measures associated with neoliberalism, the vast numbers affected, and the depth of the decline in living standards cut across classes, genders, races, class segments, and geographical regions. They have affected a broad array of social forces that can be concentrated and mobilized. The steep decline in social conditions has in effect compensated in part for the structural weakness of these forces. As a result, the call for direct action has moved people who have been passive.

Nonetheless, there is a sharp distinction between the outcomes of neoliberal electoral victories and those of leftist-led popular revolts. Through the electoral process the neoliberals control the state, and thus they have continuity and power even though their representativeness is questionable. The popular revolts reflect majoritarian interests but lack continuity and in most cases strong institutional bases. Mass movements tend to ebb and flow in relation to specific neoliberal measures; they lack the ideological capacity for sustained action.

In the following sections I shall discuss the popular opposition to neoliberalism in terms of the geopolitics of revolts, the limits of pragmatism, the contrasting strategies of neoliberal regimes and popular movements, the popular response to the neoliberal policy cycle, and the issue of subjectivity and neoliberalism.

THE DILEMMAS OF PRAGMATISM

In 1994-1995 there were presidential elections in Mexico, Venezuela, Argentina, Brazil, and Uruguay, and the pragmatists of the left believed that they could win them. Though in most cases the center-left increased its influence in relation to past elections, it failed to defeat the neoliberals. What was striking about these electoral campaigns was not the loss of the elections per se or, for that matter, their increasing votes but the gradual abandonment of social democratic reform agendas. As the election campaigns advanced, the pragmatists almost uniformly moved toward a social liberal agenda. Essentially the social democrat is primarily concerned with redistributing income, reallocating public expenditures toward social welfare, elaborating a strong public sector and an effective planning system, and shifting the costs of economic adjustments and stabilization policies to the capitalist class. Social liberals maintain the income distribution pattern, increase social expenditures incrementally, and follow orthodox stabilization policies within a basically privatized economy. As social democrats, members of the centerleft discovered that they could not win elections by demobilizing the masses and focusing

exclusively on electoral politics. They had two alternatives: to mobilize the populace or to compete with the neoliberals for the support of big business. In making the latter choice, the social democrats effectively shifted their programmatic commitments toward the center-right and became social liberals. As these "pragmatists" began to take seriously their capacity for becoming contenders for power, they began to imitate the neoliberals in power in both the style and the substance of their politics. Increasingly, the electoral campaign shifted from the streets to the media.

In the media and in public appearances, images of bourgeois respectability and political responsibility were projected. The pragmatists appealed to middleclass and business concerns about corruption rather than leading workers' strikes, peasant land occupations, or shantytown demonstrations. Visits to the U.S., West European, and Japanese embassies to assure the ambassadors of their fealty to private property became *de rigueur*. Overseas trips to Washington, Wall Street, and Brussels were undertaken to secure the approval of the respected elites. In effect, during the electoral campaigns the pragmatists gained respectability while depoliticizing the voters. The left voters in most cases voted out of traditional allegiance or because of clientelistic relations rather than participating with the energy required to bring about a real social transformation. Televised electoral debates replaced social confrontations, and the center-left lost its identity as a point of reference for the majority discontented with basic conditions. The pragmatist social liberals killed the **lan*, the hope, and the vision that had allowed the left to win the support of those now immersed in lethargy, dependency, and prejudice.

The pragmatists, long on image politics and short on historical memory, forgot the lessons of past successful electoral campaigns. In Latin America the leftist forces won the presidency in Guatemala in 1954, the Dominican Republic in 1963, Guyana in the 1950s, Chile in 1970, and Nicaragua in 1984, when the elections were the culmination of mass mobilizations and struggles, land occupations, urban movements, workers' factory assemblies, etc. They politicized and activated the mass of the population while polarizing the society in a manner favorable to an electoral victory by the left. The politicized and active populace could reject the mass media propaganda of the right because in each local community there was an alternative political point of reference. The electoral outcome was one more victory in the effort to transform a polarized society.

At the international level, the attempt to regroup the left in the postcommunist period in the Foro de Sao Paulo has gone through two phases. The first phase, essentially social-democratic, reflected the efforts by a broad array of leftist forces to forge a common redistributive agenda based on a combination of mass struggle and electoral politics. In its search for inclusiveness, the Foro subsumed fundamental differences in style and content of politics toward the state, the class structure, and the economy. Working papers that promoted radical perspectives and resolutions that denounced neoliberalism were accompanied by political practices that gradually approached neoliberal policies and regimes. While the Foro initially served as a useful point of exchange of views on the politics of the late 1980s, by the mid-1990s it had lost its relevance. The assimilation of neoliberal doctrines, the deep commitments to purely electoral politics, and the *de facto* alliances with neoliberal regimes on the part of leading pragmatists in the Foro had undermined its practical and subversive nature. It had become an increasingly ritualistic event divorced from the radical social movements that confronted the neoliberal regimes and their Foro partners.

CONTRASTING STRATEGIES

Neoliberal political regimes have had a strategic advantage in relation to their adversaries in the popular movements: they have a vision of a coherent, global change involving reorganization of the state, the economy, the class structure, and the values of individuals. They also have an image of "a New Person"

and do not focus merely on economic changes to increase profits in the present conjuncture. In sum, they have adopted a world-historical structural approach in the elaboration of their policies.

Their strategy involves taking control of the state and shifting state resources to the local propertied groups and multinational corporations, increasing exports to finance external debt payments, reducing wages to allow for the concentration of capital, and destroying or controlling labor unions and undermining labor legislation to strengthen the power of capitalists in the workplace. Their social policy is to increase state expenditures (subsidies, loans, financing, socialization of financial losses) for the wealthy and lower their taxes. Their cultural policy emphasizes individual outlooks over collective ones, private problems over social ones, clientelistic relations over solidarity, and mass spectacles over community-organized cultural events. They seek class cohesion at the top, fragmentation in the middle, atomization at the bottom.

The global strategy of the neoliberals has depended on two types of tactics. The first is to attack workers sector by sector or even industry by industry. Sequential privatization-first the petroleum industry, then communications, transportation, etc.-mobilizes all of the state's power against a single sector isolated from others. Defeating one sector sets the stage (and provides an example) for moving on to other sectors, leading eventually to the privatization of all state enterprises and utilities. The second is to combine repressive and even violent activity against an organized sector of the working class with appeals to the unorganized sectors. For example, the Cardoso government in Brazil attacks the petroleum workers as "privileged" and promises to provide low-cost consumer services and to use the income from privatization to finance social services in other sectors of the workforce. In fact, the attack on one sector of the working class is accompanied by further attacks on others, thus perpetuating and deepening class inequalities as newly privatized enterprises enrich a handful of private monopoly buyers.

Faced with the neoliberal attack, in the recent past most popular movements have engaged in sector-by-sector resistance: prolonged strikes, mobilizations, and confrontations between the affected sector and the neoliberal state. And practically every time the popular movements lose in this uneven struggle.

Accompanying these popular struggles are appeals for solidarity that elicit limited support from militant sectors: one-day stoppages, financial contributions, symbolic declarations. The material bonds that could change the correlation of forces in the struggle are absent. Each working-class sector refuses to risk pay or job loss to generalize the strike. Each sector acts as if the state action were directed only against a single group of workers and enterprises instead of the whole class and economy.

While the neoliberals rely on politicizing the state in every instance drawing the army, the judiciary, and public administration into the battle to impose the neoliberal agenda-the popular movements look exclusively to "civil society," and the neoliberal regime backed by the state and the ruling class is more than a match for them.

THE NEOLIBERAL POLICY CYCLE AND POPULAR RESPONSES

Neoliberalism, like previous politico-economic regimes, is a historical phenomenon that contains contradictions. It has various phases: beginning, consolidation, and decline. Obviously, "free-market" capitalism is not the culmination of history as some of its more enthusiastic apologists are prone to argue. At each stage, neoliberal policies have met popular resistance, although the highest levels of opposition tend to occur at the beginning, when the initial policies are imposed, and at the end, when the deep structural contradictions manifest themselves.

The origins of free-market capitalism lie in the blood and gore of the military dictatorships of the 1970s. It was only after a massive attack on the working-class trade unions, urban civic associations, and peasant organizations that the neoliberal policies could be implemented. Popular resistance was aimed not only at the dictatorships but at the socioeconomic policies that they pursued: in Uruguay a prolonged general strike in the early 1970s, in Chile resistance in the factories and shantytowns, in Argentina the illegal strikes in factories and transport sectors, and in Bolivia the miners' general strikes-were defeated by force and violence. Neoliberalism did not establish its ascendancy because of the "failure" of the left or because of the economic superiority of the market but because of the effectiveness of military force.

In the subsequent period of implementation of the neoliberal agenda there were strikes in practically every sector affected by neoliberal policies; privatization of ports, telephones, airlines, mines, and factories frequently confronted strikes or popular resistance. As I have said, these sectoral actions were defeated by the neoliberal regimes because of their political and social isolation.

In the more recent period a new and more powerful wave of opposition has arisen in the context of the decline of neoliberalism. This opposition has taken various forms, from electoral campaigns to guerrilla warfare, but what distinguishes it is that it is taking place when neoliberalism no longer has the economic resources, political reserves, or social support of the earlier periods. In the first instance, the prolonged process of privatization has deprived the neoliberal regimes of a potential source of income, valuable assets to attract overseas loans. Secondly, the open economy has undermined the productive forces of the country, increased trade imbalances, and caused the regime to pursue speculative investments to balance external accounts.

In the social sphere, the unending series of "adjustments," each implemented with the promise that it was the "final one" before takeoff into First World prosperity, has eroded the credibility of the neoliberal regimes among the popular and middle classes. It is clear that the adjustments simply provide short-term resources while depressing markets and weakening the capacity to produce, thus creating a new cycle of debt, balance-of-payments crises, and capital flight. The erosion of confidence in the middle and working class is accompanied by downward social mobility for key supporters of the neoliberal model-not only the poor and public employees but sectors of the professional and business class who are badly hit by dollar-indexed debts and devalued earning. In its declining phase, pivotal sectors of the middle class, the trade union bureaucracy, and even sectors of the military and the church hierarchy part company with the neoliberal regime. In the political sphere, the neoliberal regimes increasingly rely on military force to impose their policies or retain power, thus calling their legitimacy into question.

Recent political history illustrates the increasingly heterogeneous opposition to neoliberalism in decline: the prolonged general strike of the workers and peasants in Bolivia, the guerrilla movements in Chiapas, the massive mobilization of 400,000 workers and middle-class in Mexico City, the urban popular and military uprising in Caracas, Venezuela, the industrial and public employee revolts in provinces of Argentina, the growing peasant movements and the general strike in Paraguay, and the continued land occupations and strikes in the major cities in Brazil.

Since the defeat of the center-left electoral coalitions, popular opposition has increasingly assumed extraparliamentary forms of struggle; the limits of electoral policies in an authoritarian setting have become clear. Mass movements outside of the control of the pragmatic left have assumed increasing importance, in the first instance as a defensive strategy against the deepening of the privatization

strategy but in a deeper sense linked to new forms of production; the land occupations and peasant co-ops of Brazil and Paraguay and the coca farmers in Bolivia are linked to cooperative forms of production and allied with urban working-class organizations. The electoral losses of the center-left do not result in demobilization because the social movements are not disciplined or controlled by the pragmatic politicians. As evidenced in the recent strikes in Bolivia and elsewhere, there is a tendency to extend solidarity beyond particular sectors affected by neoliberal policies: to extend the resistance beyond sectoral protests into a "general struggle." The movement toward the occupation of "state property" and the creation of dual power evidenced in Chiapas and other regions in Mexico offers a glimpse into revolutionary processes that seek to accumulate forces and political spaces for sustained struggle. The efforts in Brazil by the Landless Workers' Movement to unify diverse rural segments and concentrate on large-scale land occupation near urban centers are part of a new strategy to consolidate a multiclass popular alliance capable of opening divisions in civil society and the state.

As the neoliberals increasingly politicize the state, a similar process is likely to occur on the left, causing fissures in the state apparatus. Venezuela's nationalist-military revolt is one indication. The resort to military violence as in the case of Cardoso's use of the military to break the petroleum workers' strike is an indication of the regimes' weakness in civil society-their inability to mediate social forces. More important, the illusion of a peaceful transition to neoliberalism in Brazil is now open to question. The strategy of the left must be to pose the question of a socialist alternative to neoliberalism as the only "global alternative" available. The basic issue is how to move from massive, militant defensive struggles within capitalism to a transformation of the entire system. The answer is in large part to be found in the subjectivity of the popular classes.

SUBJECTIVITY AND LIBERATION

For too long the left has defined revolution in economic terms: economic crises, poverty, exploitation. The problem is that these economic conditions have been abundantly present in the 1980s and 1990s and there has been no revolutionary upsurge. At the same time the neoliberal right has devoted extensive attention to capturing the minds of the people adversely affected by its policies. In developing an alternative approach it is useful to examine the basic neoliberal arguments as a point of departure. Essentially the defense of neoliberalism revolves around four strategies: (1) globalism (the idea that "global imperatives" require neoliberal policies if the country is to compete, secure loans and investments, etc.), (2) the absence of alternatives, (3) local projects, and (4) poverty pockets. The neoliberals argue that the only alternative (communism) has collapsed and therefore neoliberalism is the only realistic approach in a global marketplace. As part of their strategy for dismantling the welfare state and public enterprises, they advocate private local "self-help" projects that allow them to channel state resources from social expenditures to the private oligopolies. Given the highly visible increase in mass poverty, neoliberals disconnect the social problem from its systemic roots and attempt to identify poverty with individual ethics-"work" or "entrepreneurial spirit."

Each of these arguments is deeply flawed. The focus on global imperatives overlooks the crucial fact that it was national class interests and state policies linked to multinational banks and corporations that reoriented the economy toward neoliberal policies. Participation in the world market need not be associated with the class/state configurations associated with neoliberalism. For example, even within the framework of capitalism, the Asian and Scandinavian versions of "protected" and "social-welfare" capitalism are based on export-oriented development. Their global integration was determined by the internal correlation of social forces rather than by external market imperatives. The argument that there are no alternatives to neoliberalism is false. Both the national-statist capitalism of Asia and the welfare capitalism of Scandinavia are alternatives. Moreover, and more significant, the growing socialization of

production on a world scale (the global social division of labor) and the increasing degree of central planning by the global multinationals makes the objective basis for social ownership and planning a more reasonable and feasible "next step." The increasing dependence of capital on state intervention, subsidies, and expenditures to promote capitalist growth is the best argument against local projects by nongovernmental organizations (NGOs). The problems of the working class-education, employment, health-are not being dealt with by local NGO charity programs. The problems are political and require struggle to change the nature of the neoliberals' state intervention. The "statism" of neoliberalism needs to be reversed. Finally, the social problems of poverty and underemployment are long term and large scale and affect a broad array of social forces. Given their social nature, they require social rather than psycho-personal explanations.

The question of changing the subjective responses of the exploited majorities revolves around four foci of struggle: ideological, cultural, consciousness, and ethics. The ideological level requires a clear definition of the social character of work and unemployment and their contradictory relationship to private ownership. Socialism or social ownership (in its self-managed form) is necessary to bring social needs into congruence with social production and distribution.

At the cultural level, we must revive the critical view of contemporary conditions, exposing the link between private discontent and social power and the infringement of the macroeconomic world on personal intimacy, comparing the music of the street with spectacles performed by touring millionaires at the price of a Third World worker's weekly/monthly salary, and encouraging the production of theater/films that confront the contradictions of individualism and cultural imperialism, consumerism, and poverty. Cultural struggle must start on the personal, everyday level of universal themes of love, death, and personal desires and move to the socially specific world in which we live.

Consciousness can be learned from experience, reading, and winning. It can be transformed only in the context of sustained everyday solidarity. Consciousness must be transformed about the individual in community, class, family, and friendships and how these social mediations define the conditions and ethics of everyday existence. Consciousness is about choices: to move up with the bosses or to link up with the workers. It is both "voluntary" and determined. It can never be imposed or forced. It is, in the final analysis, the product of "self-understanding" and the realization that becoming class conscious is a better way of living with oneself and with friends, lovers, family, and neighbors.

Socialism is not the "unfolding of history." There are too many choices to make at every turn. These choices are based on material interests, but these material interests involve not only commodities but personal and social relations. How one pursues material or class interests-whether through political corruption or through social solidarity-is an ethical question.

The collective decisions of workers in Tierra del Fuego and Oruro, the decisions of landless rural workers in Brazil and Paraguay to occupy a factory, a municipal building, or a piece of land are not only about material necessities but also an affirmation of their self-worth, dignity, and capacity to govern themselves, to become full human beings and share friendship and intimate relationships without the constant threat of abuse, hunger, and fear. The subjective factor today is the great terrain of struggle: the economic and social conditions for the overthrow of neoliberalism are being created every day in every country, workplace, and neighborhood. What is necessary is the steady creation of a new social consciousness, culture, and ethics to convert those conditions into the basis for a social transformation.

[Author note]

James Petras is a professor of sociology at Binghamton University and a coauthor of *Latin America in the Time of Cholera* (London:

Routledge, 1993) and *Democracy and Poverty in Chile* (Boulder: Westview Press, 1994). This article is an edited version of a presentation at the conference "Perspectives for Liberation in Latin America," Buenos Aires, August 19-21, 1995.

Reproduced with permission of the copyright owner. Further reproduction or distribution is prohibited without permission.